

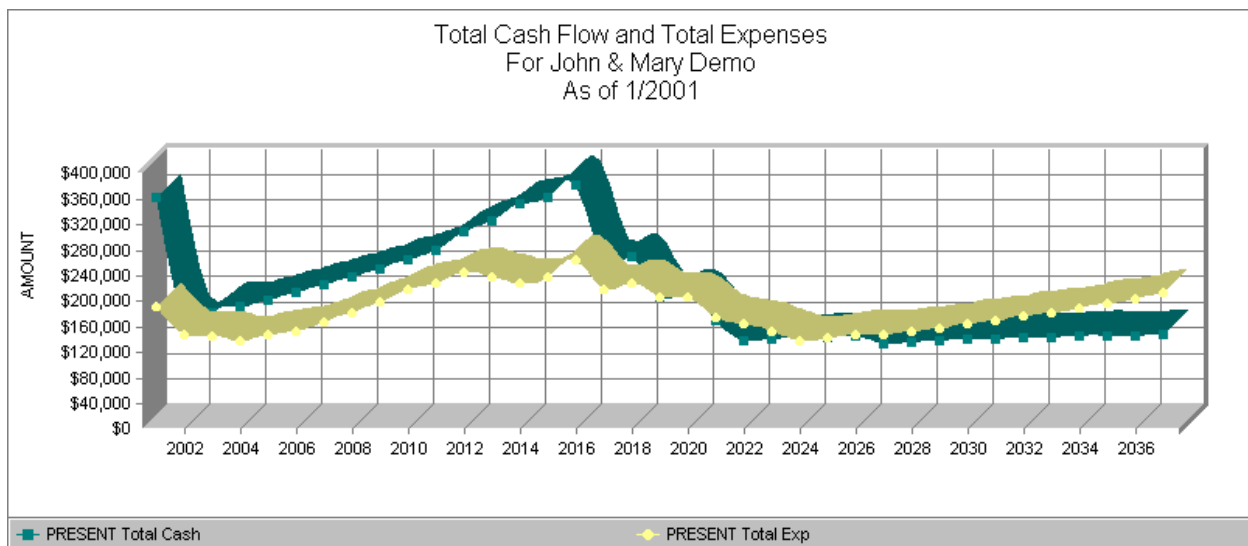
**CURRENT FINANCIAL PROJECTION - DETAILED**  
**For**  
**John and Mary Demo**

	2001	2002	2003	2004	2005
<b>TAXABLE INCOME</b>					
(1) Salaries & Self-Emp Income	145,000	152,500	160,400	168,722	177,491
Salary - Client	100,000	105,000	110,250	115,762	121,551
Salary - Second Client	40,000	42,000	44,100	46,305	48,620
Self-Employment - Second	5,000	5,500	6,050	6,655	7,320
(2) Other Ord Income + Soc Sec	0	0	0	0	0
(3) Interest & Dividends	112,189	15,200	16,326	17,831	19,849
Taxable Cert. of Deposit	1,538	1,538	1,538	1,538	1,538
Taxable Checking Account	52	58	63	69	76
Taxable Common Stock	850	893	939	986	1,036
Taxable Corporate Bond	850	850	850	850	850
Taxable Money Market Fund	3,412	3,413	3,413	3,413	3,412
Taxable Mutual Fund	2,751	3,041	3,361	3,715	4,107
Taxable Note Carryback	102,461	0	0	0	0
Taxable Savings Account	275	275	275	275	275
Interest on Surplus Cash	0	5,133	5,888	6,985	8,555
(4) Gross Capital Gains	20,000	0	0	0	0
L)Taxable Note Carryback	20,000	0	0	0	0
(5) Passive Income	0	0	0	4,297	5,110
Rental Property	0	0	0	4,297	5,110
(6) Gross Income	277,189	167,700	176,726	190,850	202,450
<b>INCOME TAXES</b>					
(7) Adjustments To Income	4,353	4,389	4,427	4,470	4,517
1/2 Self-Emp. Soc. Sec.	353	389	427	470	517
IRA - John	2,000	2,000	2,000	2,000	2,000
IRA - Mary	2,000	2,000	2,000	2,000	2,000
(8) Usable Ordinary Losses	0	0	0	0	0
(9) Usable Capital Losses	0	0	0	0	0
(10) Usable Passive Losses	0	0	0	4,124	0
Allowed Suspended Losses	0	0	0	4,124	0
Rental Property	1,854	1,425	845	0	0
Suspended Losses	-1,854	-1,425	-845	0	0
(11) Adjusted Gross Income	272,836	163,311	172,299	182,256	197,933
(12) Usable Deductions	32,584	25,901	26,242	26,615	27,317
AGI Excess Deductions	-4,197	-791	-938	-1,109	-1,449
Deduct Form-Charitable	400	400	400	400	400
Personal Home	1,600	1,632	1,665	1,698	1,732
Porsche	595	565	537	510	485
VA 1st Mtge	13,987	13,738	13,459	13,145	12,794
California State Tax	20,198	10,357	11,119	11,971	13,355

**CURRENT FINANCIAL PROJECTION - DETAILED**  
**For**  
**John and Mary Demo**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
(13) California Tax Estimate	20,198	10,357	11,119	11,971	13,355
(14) Exemption Amount	7,308	17,922	18,460	19,013	19,584
(15) Form 1040 Taxable Income	232,944	119,488	127,598	136,628	151,032
State Taxable Income	251,758	146,976	156,239	166,503	182,522
(16) Tax Credits	0	0	0	0	0
(17) Federal Tax	63,184	27,614	29,845	32,353	36,518
Table Tax	63,184	27,614	29,845	32,353	36,518
AMT Tax	63,089	26,163	28,209	30,674	35,178
(18) Method	table	table	table	table	table
(19) Combined Tax Bracket	42	37	37	37	37
(20) Addl. Pref. Before AMT	342	5,581	6,290	6,456	5,156

**CASH FLOW**



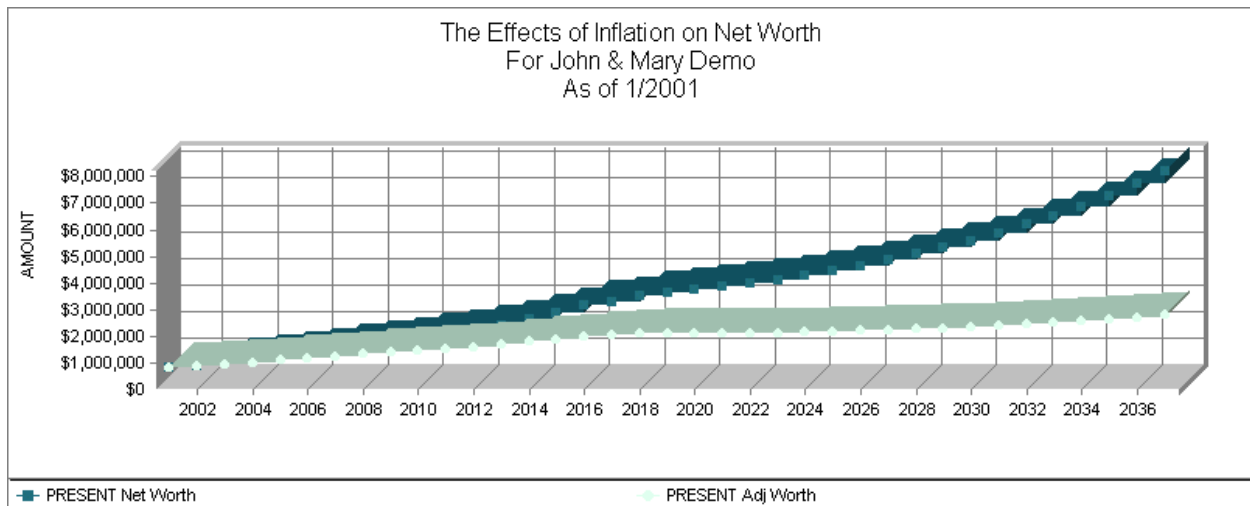
(21) Total Cash Flow	361,736	172,319	181,405	191,277	202,092
Lines 1-8: Cash Flow Form	145,000	152,500	160,400	168,722	177,491
Rental Property	7,350	7,718	8,103	8,509	8,934
Taxable Cert. of Deposit	1,538	1,538	1,538	1,538	1,538
Taxable Common Stock	850	893	939	986	1,036
Taxable Corporate Bond	850	850	850	850	850
Taxable Money Market Fund	3,412	3,412	3,412	3,412	3,412
Taxable Note Carryback	202,461	0	0	0	0
Taxable Savings Account	275	275	275	275	275
Interest on Surplus Cash	0	5,133	5,888	6,985	8,555
(22) Living Expenses	30,150	31,356	32,610	33,915	35,271
(23) Extraordinary Liv. Expense	0	0	0	0	0

**CURRENT FINANCIAL PROJECTION - DETAILED**  
**For**  
**John and Mary Demo**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
(24) Federal & State Taxes	83,382	37,970	40,964	44,324	49,874
Federal	63,184	27,614	29,845	32,353	36,518
State	20,198	10,357	11,119	11,971	13,355
(25) Social Security Taxes	10,201	10,647	11,115	11,608	12,127
(26) Loan, Property & Other Exp	62,813	63,090	56,083	45,009	45,322
Auto Loan	17,170	17,170	0	0	0
Disability Insurance	400	412	424	437	450
Jewelry	250	258	265	273	281
John's Whole Life Policy	1,150	1,150	1,150	1,150	1,150
Jones 2nd	1,500	1,500	11,375	0	0
Liability Insurance	12,000	12,000	12,000	12,000	12,000
Mary's Term Life Policy	600	618	637	656	675
Medical Insurance	750	750	750	750	750
Personal Home	3,540	3,642	3,748	3,856	3,969
Porsche	4,095	4,185	4,281	4,383	4,490
Rental 1st Mortgage	3,635	3,635	3,635	3,635	3,635
Rental Property	1,680	1,727	1,776	1,827	1,879
VA 1st Mtge	16,043	16,043	16,043	16,043	16,043
(27) Investments	4,085	4,085	4,085	4,085	4,085
Taxable Checking Account	50	50	50	50	50
Taxable Common Stock	25	25	25	25	25
Taxable Mutual Fund	10	10	10	10	10
IRA - John	2,000	2,000	2,000	2,000	2,000
IRA - Mary	2,000	2,000	2,000	2,000	2,000
(28) Surplus Cash	171,105	25,171	36,547	52,336	55,413
<b>LIQUIDITY</b>					
(29) Accumulated Surplus Cash	171,105	196,275	232,823	285,159	340,573
(30) Cash Assets	82,098	83,306	84,629	86,080	87,669
(31) Total Cash Assets	253,203	279,581	317,452	371,239	428,242
<b>RETIREMENT PLANS</b>					
(32) Plan Contributions (see Investments)	4,000	4,000	4,000	4,000	4,000
(33) Plan Projected Balance	76,252	87,185	99,071	111,996	126,050
IRA - John	25,920	29,994	34,393	39,145	44,276
IRA - Mary	17,172	20,546	24,189	28,125	32,375
Tax Def. Ret. Fixed Annuity	11,000	12,100	13,310	14,641	16,105
Tax Def. Ret. Varble. Ann	22,160	24,545	27,179	30,086	33,294

**CURRENT FINANCIAL PROJECTION - DETAILED**  
**For**  
**John and Mary Demo**

	2001	2002	2003	2004	2005
<b>NET WORTH</b>					
(34) Apparent Net Worth	827,094	919,281	1,020,778	1,132,646	1,252,581
Auto Loan	-16,284	0	0	0	0
IRA - John	25,920	29,994	34,393	39,145	44,276
IRA - Mary	17,172	20,546	24,189	28,125	32,375
Jewelry	41,600	43,264	44,995	46,794	48,666
John's Whole Life Policy	11,650	13,382	15,202	17,112	19,117
Jones 2nd	-10,000	-10,000	0	0	0
Personal Home	236,250	248,062	260,466	273,489	287,163
Porsche	64,990	63,040	61,149	59,315	57,535
Rental 1st Mortgage	-27,261	-25,961	-24,542	-22,993	-21,304
Rental Property	102,375	107,494	112,868	118,512	124,437
Side Business	22,980	23,669	24,379	25,111	25,864
Tax Def. Fixed Annuity	11,000	12,100	13,310	14,641	16,105
Tax Def. Ret. Fixed Annui	11,000	12,100	13,310	14,641	16,105
Tax Def. Ret. Varble. Ann	22,160	24,545	27,179	30,086	33,294
Tax Def. Variable Ann.	9,300	10,801	12,531	14,526	16,822
Taxable Cert. of Deposit	25,000	25,000	25,000	25,000	25,000
Taxable Checking Account	1,098	1,206	1,319	1,439	1,564
Taxable Common Stock	28,931	30,692	32,559	34,537	36,634
Taxable Corporate Bond	8,500	8,500	8,500	8,500	8,500
Taxable Money Market Fund	65,000	65,000	65,000	65,000	65,000
Taxable Mutual Fund	120,104	132,763	146,755	162,221	179,316
Taxable Savings Account	5,000	5,000	5,000	5,000	5,000
VA 1st Mtge	-120,497	-118,192	-115,609	-112,711	-109,463
Accumulated Surplus Cash	171,105	196,275	232,823	285,159	340,573



(35) 3.00% Inflation Adjusted	827,094	892,506	962,181	1,036,532	1,112,902
-------------------------------	---------	---------	---------	-----------	-----------